

# **CORPORATE SOCIAL RESPONSIBILITY**

## **CODE OF CONDUCT IN THE SUGAR INDUSTRY**

### **3RD REPORT**

**2005**



# **CSR REPORT FOR 2005**

**I - Political and economic background**

**II – *Anticipation and management of restructuring at social level***

**III – Implementation of the Code of Conduct**

***IV - Conclusions***

# I – POLITICAL AND ECONOMIC BACKGROUND

## LOST OF THE SUGAR PANEL AT WTO

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### Requalification of :

- Equivalent ACP reexports sugar quota with refund
  - Non quota sugar exports without a refund  
as exports with subsidies

### Implementation

*« Reasonable period » expires on 22nd May 2006 !*

***The Union's exports with subsidies  
will have to be reduced by 72 %***

# **I - MAIN FEATURES OF THE SUGAR REFORM ADOPTED 20.2.2006**

- **8 campaigns : from 2006/07 to 2014/15**
- *Minimum price for beet lowered by 38 % over 4 marketing years*
- **Reference price for sugar lowered by 36 % over 4 marketing years**
- *A & B quotas merged in one quota*
- **Maintenance of intervention for 4 years only**
- *Industrial restructuring fund for factory closure when quotas are sold.*

# I - IMBALANCE IN EXTERNAL TRADE POLICY

- Abolition of all exports provided by new Regulation
- Imports from LDCs to be liberalised by 2009 without quantitative management
- Swap recognized as a legal procedure

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*Increasing imports without the possibility to export leads to the ineluctable reduction of production quotas entailing factory closures*

# **I - CONSEQUENCES FOR LDC AND ACP COUNTRIES**

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- The reform will affect the traditional suppliers of raw cane sugar under the Cotonou agreements.
- ***It will destabilise the economies of the poorest countries.***
- ACP countries mention the devastating consequences of the reform for employment and the social fabric of their regions.

# **I - FORESEEABLE SOCIAL CONSEQUENCES**

In the hypothesis of a reduction in  
production of 35 %

(due to halt in exports and increased imports)

**40 % of direct industrial jobs at risk**

**Loss of about :**

⇒ 25 000 direct industrial jobs

⇒ 125 000 indirect industrial jobs

*1 direct job generates 5 indirect jobs*

# II- ANTICIPATION AND MANAGEMENT OF SOCIAL RESTRUCTURING

## CEFS-CIBE-EFFAT CONFERENCE

28.6.2005

Chaired by Joseph Daul

- All the players of the sugar beet sector present
- *As well as representatives of European Commission, European Parliament, Permanent representations.*
- In total about 250 persons reflecting on impact of the reform and accompanying measures.

**Conclusion : Support of the structural funds essential**

## **II - PRACTICAL GUIDE ON ACCESS TO STRUCTURAL FUNDS**

Creation of an interactive tool  
with help of an external consultant and the  
financial support of the Commission.

***The PG allows to get immediate information on the potential access to structural funds according to the localisation of the sugar factory and the industrial project considered.***

It is existing in French, English, German and  
in html and Word versions.

**[www.eurosugar.org](http://www.eurosugar.org)**

## **II - LINK BETWEEN THE SUGAR REFORM AND THE ACCESS TO STRUCTURAL FUNDS**

- The social partners discussed with the Commission how to facilitate the access to structural funds in the framework of the sugar reform, as also requested by the Parliament.
- The aim was to manage economic change as far as possible and optimize the impact on employment.

## **II - CREATION OF A SUGAR CONTACT GROUP**

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*(reinforced follow up)*

- With the help of DG Employment (Mr Vasquez) a Sugar Contact Group was created.
- ***It comprises DGs EMPL, AGRI, REGIO, ENTER.***
- It helps coordinating views and clarifying texts on access to structural funds versus industrial fund.

# III – IMPLEMENTATION OF THE COC

## A. COMMUNICATION

Numerous EFFAT and CEFS external interventions :

*Forum de Liaison, Forum on restructuring, Belgium, France, Poland ...*

# **III - COC IMPLEMENTATION**

## **B - Minimum standards**

### **Survey on implementation in 2005**

Special emphasis on vocational training, health and safety, and relations between social partners in the context of restructuring.

#### **Standard 2**

*Special accent on greater employability*

#### **Standard 3**

*Specific measures to improve H&S of personnel and subcontractors and on prevention.*

#### **Standards 4 & 7**

*Information & consultation in the context of restructuring  
Support to find alternative employment*

# **III - C. EXAMPLES OF GOOD PRACTICE**

Three new examples of good practice

## **France**

*vocational training (employability)*

## **Czech Republic**

*working conditions (sociological survey)*

## **Slovak Republic**

*Restructuring : support to find a new job  
after factory closure*

# **IV – CONCLUSIONS**

- In 2005 – with help of the Commission – the social partners developed concrete actions for anticipation and management of the social consequences of restructuring.
- ***Far reaching restructuring is starting in 2006.***
- The unfailing support of all actors involved, public and private players, at European and national level, is essential to mobilise all the social cohesion instruments.
- ***Such a synergy is necessary to create new business activities and take up the challenge of social responsibility.***

